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C O N F I D E N T I A L SECTION 01 OF 02 MADRID 000202

SIPDIS

STATE FOR ELAINE SAMSON AND STACIE ZERDECKI OF EUR/WE

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SUBJECT: SPAIN: FACTORS AT PLAY IN JUSTICE MINISTER'S

SURPRISE RESIGNATION

REF: A. MADRID 139

¶B. 08 MADRID 552

¶C. MADRID 97

¶D. MADRID 154

¶E. MADRID 99

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Classified By: A/DCM William Duncan for reasons 1.4 (b) and (d)

- 11. (C) SUMMARY: The sudden resignation of Justice Minister Mariano Fernandez Bermejo on February 23 - six days before closely-contested regional elections in the Basque Country and Galicia (See Reftel A) - is politically inconvenient for President Zapatero's Socialist Party (PSOE) and provides a lifeline to the scandal-plaqued conservative opposition Popular Party (PP). Bermejo, whose bio is provided in Reftel B, had a controversial two-year tenure as Minister, but an untimely and ill-considered recent hunting trip that gave the appearance of impropriety proved to be the straw that broke the camel's back. The ensuing, widespread condemnation by the PP, the media, and even senior members of his own party made his position untenable, resulting in the first resignation by a cabinet member since Zapatero took office nearly five years ago. Bermejo's successor, Francisco Caamano, is described as an independent and rigorous jurist, who is a creative and able negotiator on judicial-legislative issues. Spanish press reports have been speculating for months that Zapatero plans a more expansive cabinet shuffle this year. As indicated in Reftel A, the results of the March 1 elections will be interpreted in part as a barometer of public satisfaction with the Zapatero government. SUMMARY.
- 12. (SBU) Bermejo's poor judgment and inability to contain the mishandling of two events in the past two weeks contributed to his decision to resign as Minister, although he will remain a parliamentary deputy. PP leader Mariano Rajoy publicly accused Bermejo and investigating judge Baltasar Garzon of the National Court of collaborating in a politically-motivated smear campaign to damage the PP's prospects in the regional elections. Rajoy made his remarks after the media reported that Bermejo and Garzon had gone on a weekend hunting trip just as the latter was launching an investigation of corruption within the PP. Rajoy announced on February 11 that the PP was breaking off all contacts with the MOJ as long as Bermejo was Minister and further demanded that Garzon drop his probe. Bermejo compounded his woes by not having a license for the hunting trip, for which he reportedly could be fined as much as USD \$5,000.
- 13. (SBU) Bermejo's resignation which Rajoy had been demanding for nearly two weeks is the first by a cabinet member since Zapatero took office nearly five years ago. The move (temporarily) diverts attention from the PP's own

internal problems, including two scandals that Garzon has brought to light in a little more than a month. The first, discussed in Reftel C, involves PP faction's alleged conduct of espionage against intra-party rivals as part of an effort to jockey for leadership of the party in the event that Rajoy should step down. The second scandal involves allegations that PP politicians accepted favors from businessmen in exchange for public works contracts. The story broke on February 6 when Garzon ordered the arrests of five individuals linked to PP-controlled town halls across the country, including Madrid and Valencia. By February 10, Garzon had presented formal charges against 34 additional individuals linked to PP-controlled town halls and regional governments nationwide. Although the PP celebrated Bermejo's resignation, the party still has its hands full with investigations into both scandals, ongoing efforts to firm up party unity, and as-yet unsuccessful efforts to broaden its appeal among the electorate.

- 14. (SBU) The public pressure produced by the uproar over Bermejo's hunting trip temporarily claimed a second victim: amid the widespread condemnation of the hunting trip in the media, Garzon was hospitalized overnight on February 20 for chest pains and elevated stress levels. He underwent tests at the cardiology unit and was on medical leave, recuperating at home, on the day of Bermejo's resignation. He has now returned to work and is continuing his corruption investigation of the PP.
- 15. (SBU) The second item that contributed to Bermejo's resignation involved a unprecedented strike by judges on February 18, the first time since the restoration of democracy that judges have closed courts in protest of GOS policy. The judges' strike was aimed at pressuring the GOS to create more courts, increase staffing numbers and raise

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salaries. The judges' professional associations that organized the strike announced that nearly two-thirds of Spain's 4,541 judges participated, despite a decree by the High Council of Judicial Power that the strike was illegal. Zapatero reportedly accepted Bermejo's resignation on the grounds that the minister had lost his credibility within the judiciary in negotiations aimed at averting further protests, although the prospective detrimental impact to the PSOE caused by the uproar over the hunting trip almost certainly also factored into Zapatero's loss of confidence.

// Bio Info on Incoming Justice Minister Francisco Caamano //

 $\P6$ . (C) Francisco Caamano was sworn in as the new Minister of Justice on February 24. Born in Cee, Galicia on January 9, 1963, Caamano holds a PhD in Law from the University of Santiago de Compostela, where (in addition to the University of Valencia) he has taught constitutional law. COMMENT: In selecting a Galician as Minister, Zapatero may be in part trying to shore up Socialist support in a region where the PP has a chance at unseating the current Socliast-led coalition government. END COMMENT. Caamano worked for eight years in the Constitutional Court (1993-2001) before serving as Director of the Local Government and Democracy Foundation and co-editor of a local law magazine (2001-04). He made the jump into politics in 2004, when he became Secretary of State for Parliamentary Relations at the Ministry of the Presidency, which is led by Maria Teresa Fernandez de la Vega, who also holds the post of First Vice President. After the PSOE's re-election in 2008, his portfolio altered slightly as he became Secretary of State for Constitutional and Parliamentary Relations. Known as an independent and rigorous jurist, Caamano has extensive experience with parliamentary issues and has maintained good relations with all parliamentary parties, including the PP. Colleagues consider him to be a creative and able negotiator who always finds satisfactory ways to solve judicial-legislative issues. In making his decision on a replacement for Bermejo,

Zapatero reportedly consulted de la Vega; Jose Blanco, the

PSOE's #2 official after Zapatero; Jose Antonio Alonso, the PSOE's spokesman in the Congress of Deputies; and Alfredo Perez Rubalcaba, the Minister of Interior. Caamano reportedly enjoys close relations with all four. Magistrate Javier Gomez Bermudez, the President of the National Court's Criminal Chamber, met privately with POLOFF and LEGAT immediately after attending Caamano's swearing-in ceremony. He confirmed press reports that Caamano is a confidant of de la Vega, whose influence the judge says was key in the new Minister's appointment. Gomez Bermudez also remarked that the new Minister's personality - easygoing, open, and affable - is very different compared to Bermejo's.

## //A More Expansive Cabinet Shuffle Ahead?//

17. (SBU) Spanish media coverage has been speculating for months that Zapatero - whose minority government is under pressure to solve the economic crisis, which has sent Spain into a recession for the first time in 15 years (See Reftel D) - will shuffle his cabinet. Following Bermejo's resignation, Zapatero on February 23 publicly stated that he was not contemplating any further cabinet changes "for the moment." According to press reports, Zapatero did not want to shuffle his cabinet in advance of the regional elections, so as to avoid the appearance of having caved in to the PP's or striking judges' criticisms. Zapatero may continue to follow that same line of thinking and opt to make any personnel changes after the June 7 European Parliament elections, which would also still allow incoming ministers time to come up to speed on their new portfolios before Spain assumes a more prominent international role - including increased diplomatic activity with the USG - as the rotating president of the EU during the first half of 2010 (See Reftel E). CHACON